

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Jennifer A. Maguire

**SUBJECT: 2008-2009 PROPOSED
OPERATING BUDGET, 2008-2009
PROPOSED CAPITAL BUDGET
AND 2009-2013 CAPITAL
IMPROVEMENT PROGRAM, AND
2008-2009 PROPOSED FEES AND
CHARGES REPLACEMENT PAGES**

DATE: May 8, 2008

Approved	/s/	Date	05/08/2008
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Attached are replacement pages to correct errors in the 2008-2009 Proposed Operating Budget, 2008-2009 Proposed Capital Budget and 2009-2013 Proposed Capital Improvement Program, and Proposed 2008-2009 Fees and Charges Report documents. The replacement pages include the following:

Operating Budget

Section	Change	Page Number
Public Safety CSA	Average Response Time	VII – 368, 370
Core Service: Respond to Calls for Service	(Citywide) – Priority One (2007-2008 Estimated)	
Strategic Support CSA	Time-period for limit-dated	VII – 636
Core Service: Workforce Resources and Diversity	Senior Analyst position	

Capital Budget

Section	Change	Page Number
Summary of Capital Program Source of Funds (Table)	Special Funds/ Capital Funds (2008-2009)	III – 9
Airport Capital Program - Source of Funds	Transfers from Special Funds V - 754 Transfers from Capital Funds	

Fees and Charges Report

Section	Change	Page Number
Police Department	Trunk Line Fee	157, 159

/s/

JENNIFER A. MAGUIRE
Acting Budget Director

Attachments

Public Safety CSA

Core Service: Respond to Calls for Service *Police Department*

Performance and Resource Overview (Cont'd.)

actual average time of 7.14 minutes for the first Police Officer to arrive. The average response time to Priority One calls is projected to be within targeted levels in 2007-2008 with an estimated time of 5.91 minutes. This improvement to response time for Priority One calls is due to implementation of the closest unit dispatch policy, a change in dispatch procedures which has reduced dispatch time as well as officer travel time. Response times to Priority Two calls (where there is injury or property damage, or potential for either to occur) has also improved. In 2006-2007, the response time for Priority Two calls was an average of 12.50 minutes, 13.6% above the target of 11 minutes. In 2007-2008, the response time for Priority Two calls is projected to drop to 11.32 minutes. While this response time is still above the target by 2.9%, it reflects an improvement of approximately 10% from the 2006-2007 performance.

In addition to calls received from the public, officers also respond to events and conditions on their beat, which might generally be associated with crime prevention and community education or traffic safety core services (i.e., community policing). To the degree that they engage in these activities, they are unavailable to respond immediately to calls from the public, thus impacting the overall response time. In 2006-2007, officer-initiated calls received totaled 102,517, or 0.3% above the 2005-2006 total of 102,188 calls. The 2007-2008 estimated officer-initiated calls are projected to decrease with 98,987 estimated calls. As 9-1-1 calls increase, the opportunity to perform self-initiated calls will decrease, thus the 2008-2009 forecast for this activity highlight has been reduced to 96,000. To ensure that the balance between calls from the public and those initiated by officers is maintained, the Department will continue to track the source of all calls.

The Police Department provides the City with the capability to respond to specific threats, such as violent crimes, narcotics trafficking, and terrorist activities, while maintaining efficiencies in staffing its special operations units. Personnel in special operations units such as the Metro Unit and the Violent Crimes Enforcement Team (VCET) perform duties other than those specific to their units. The Metro Unit is primarily responsible for establishing a rapid response program that may be implemented within any part of the City. The VCET Unit focuses enforcement efforts on criminal gang related activity, but also serves as a resource to the Patrol Division and routinely handles or assists on calls for service. The Bomb Squad has the responsibility for investigating, rendering safe, transporting, and disposing of bombs, explosives, and hazardous devices.






In light of the continuing General Fund budget shortfalls, the Police Department's budget strategy over the last six years was to retain basic emergency response services, focusing on patrol, and responding to calls for service. The Police Department will continue to maintain this strategy for 2008-2009, aligning with City Council's approval of the Mayor's March Budget Message.

For 2007-2008, the addition of 15 sworn positions was approved as directed in the Mayor's June Budget Message, with 11 of the Police Officer positions in this Core Service, three Motorcycle Police Officer positions in the Traffic Safety Services Core Service, and one Sergeant position in the Crime Prevention and Community Education Core Service. For 2008-2009, another 15 Police Officer positions are proposed to be added in the January 2009 Police Recruit Academy to meet

Public Safety CSA

Core Service: Respond to Calls for Service Police Department

Performance and Resource Overview (Cont'd.)

Respond to Calls for Service Performance Summary	2006-2007 Actual	2007-2008 Target	2007-2008 Estimated	2008-2009 Target
 Average response time (Citywide) - Priority One (present or imminent danger to life or major damage/loss of property)	7.14	6.00	5.91	6.00
-Average call processing time	1.30	1.50	1.35	1.50
-Average call queuing time	1.61	0.50	0.92	0.50
-Average call driving-to-arrival time	4.40	4.00	3.75	4.00
 Average response time (Citywide) - Priority Two (injury or property damage or potential for either to occur)	12.50	11.00	11.32	11.00
-Average call processing time	1.77	1.50	1.74	1.50
-Average call queuing time	4.96	3.50	4.09	3.50
-Average call driving-to-arrival time	5.85	6.00	5.56	6.00
 Annual cost of Police to respond to calls for service (in millions)	\$92.85	\$102.34	\$98.23	\$99.39
 Annual cost per call for Police service	\$145.44	\$161.42	\$149.45	\$144.73
 % of callers rating SJPD's response time and service provided upon arrival as good or excellent	N/A*	98%	N/A*	98%

Changes to Performance Measures from 2007-2008 Adopted Budget: Yes¹

¹ Changes to Performance Measures from 2007-2008 Adopted Budget:

- ☐ "Average time from call to 1st officer arrival where there is a present or imminent danger ... (Priority One)" was revised to align the measures published in this document with the Quarterly Performance Reports prepared for City Council Committees. These revisions more clearly break down each phase of the response time process and set targets for each phase to more accurately identify performance in each area.
- ☐ "Average time from call to 1st officer arrival where there is injury or property damage ... (Priority Two)" was revised to align the measures published in this document with the Quarterly Performance Reports prepared for City Council Committees. These revisions more clearly break down each phase of the response time process and set targets for each phase to more accurately identify performance in each area.

* Data not available.

Activity & Workload Highlights	2006-2007 Actual	2007-2008 Forecast	2007-2008 Estimated	2008-2009 Forecast
Number of 9-1-1 calls received	251,299	250,000	260,823	273,900
Number of wireless 9-1-1 calls received	114,712	119,000	139,332	168,600
Number of 3-1-1 calls received	272,363	265,000	257,100	244,200
Number of calls to TRAC system received	11,486	13,000	10,513	9,700
Number of reports received by alternative means	8,791	8,800	8,759	8,800
Number of officer-initiated calls received	102,517	100,000	98,987	96,000

Changes to Activity & Workload Highlights from 2007-2008 Adopted Budget: No

Strategic Support CSA

Core Service: Workforce Resources and Diversity
Human Resources

Budget Changes By Core Service

Proposed Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
A HIGH PERFORMING WORKFORCE THAT IS COMMITTED TO EXCEEDING INTERNAL AND EXTERNAL CUSTOMER EXPECTATIONS			
1. Environmental Services Department Succession Planning Analytical Staffing	1.00	91,671	0
<p>This proposal would add a limit-dated Senior Analyst position for a two-year period to assist with succession planning at the Water Pollution Control Plant. Of the 195 trade and professional staff at the Plant, 50% will be eligible to retire in the next five years. Given the historical difficulty in recruitment and retention of trade staff, a comprehensive succession strategy is needed to address this future problem. It is estimated that this effort will take four years to complete. This position will be funded by the San José-Santa Clara Treatment Plant Operating Fund. (Ongoing costs: \$125,359)</p> <p>Performance Results: Cycle Time, Customer Service Dedicated succession planning and recruitment at the Water Pollution Control Plant will ensure that appropriate levels of skilled staff will continue uninterrupted operations at the Plant.</p>			
2008-2009 Proposed Core Service Changes Total	1.00	91,671	0

CITY OF SAN JOSE
2009-2013 PROPOSED CAPITAL IMPROVEMENT PROGRAM

SUMMARY OF CAPITAL PROGRAM SOURCE OF FUNDS

	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	5-Year Total
Special Funds	66,359,000	62,894,000	223,357,000	128,956,000	112,034,000	593,600,000
Capital Funds	32,000,000	6,701,000	7,674,000	7,232,000	6,746,000	60,353,000
Interest Income	28,001,000	12,320,000	8,987,000	8,317,000	8,446,000	66,071,000
Miscellaneous Revenue	41,194,000	28,614,000	23,919,000	24,735,000	25,652,000	144,114,000
Developer Contributions	2,200,000	2,250,000	2,900,000	2,050,000	8,100,000	17,500,000
TOTAL SOURCE OF FUNDS	730,659,947	489,717,969	590,466,969	414,240,969	407,563,969	1,937,935,947 *

* The 2009-2010 through 2012-2013 Beginning Balances are excluded from the FIVE-YEAR TOTAL SOURCE OF FUNDS to avoid multiple counting of the same funds.

Airport Capital Program

2009-2013 Proposed Capital Improvement Program

Source of Funds

SOURCE OF FUNDS (CONT'D.)	Estimated 2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	5-Year Total
<u>Airport Revenue Bond Improvement Fund</u>							
Beginning Fund Balance	285,083,490	49,482,249	64,163,249	27,894,249	8,062,249	7,556,249	49,482,249 *
Sale of Bonds							
- Bond Proceeds	13,036,000						
Contributions, Loans and Transfers from:							
Special Funds							
- Transfer from Airport Customer Facilities and Transportation Fee Fund (519)	2,247,000	4,453,000	4,498,000				8,951,000
- Transfer from Airport Fiscal Agent Fund (525)	530,496,000			154,448,000	56,874,000	36,371,000	247,693,000
- Transfer from Airport Revenue Fund (521)		9,838,000	2,627,000	6,467,000	2,111,000	3,837,000	24,880,000
Capital Funds							
- Transfer from Airport Passenger Facility Charge Fund (529)		25,163,000					25,163,000
Interest Income		11,000,000	2,700,000	100,000			13,800,000
Reserve for Encumbrances	160,882,759						
Total Airport Revenue Bond Improvement Fund	991,745,249	99,936,249	73,988,249	188,909,249	67,047,249	47,764,249	369,969,249 *

POLICE DEPARTMENT

Impact Analysis Report

OVERVIEW

Departmental service fees are collected from the public and from other police agencies for services such as fingerprinting, search and copying of public records, and vehicle impound release fees. Certain businesses and activities are subject to regulation, and fees are charged to offset the costs for processing permits and licenses that accompany the regulatory process and to partially offset costs for related investigative work. Examples of these include permits and licenses for amusement devices, concealable firearm dealers, public dances, massage parlors, parades, and cardrooms. The majority of the fees in the Department are Category I; the exception is the Emergency Communications System Support fee, which is Category II.

Projected Department revenue for 2008-2009, based on the proposed fees and charges program, totals \$28.2 million. This revenue reflects a 3.1% increase compared to the 2007-2008 Adopted level. The proposed increase reflects adjustments to fees to maintain the Council-approved cost recovery level and higher revenue estimates, including Public Entertainment, Taxicab, Secondary Employment, and Cardroom fees. The proposed changes would bring the Department's total revenues to 90.3% of fee program costs, an increase from the 2007-2008 cost-recovery rate of 84.8%.

The majority of Department fees are in the 100% cost recovery category, except for the Taxicab Driver permit fee, the Concealable Firearms-Dealer permit fee, the Flower Vendor permit fee, the Public Entertainment Business permit fee, the fee for Duplicating Public Records, and the Emergency Communication System Support (ECSS) fee. The Taxicab Driver permit fee is anticipated to be recovered at 68.9% of the estimated costs, the Concealable Firearms-

Dealer permit fee at 86.3%, the Flower Vendor permit fee at 85.2%, and the Public Entertainment permit fees at 38.3%. The Police Department reevaluated the amount of time spent on these permits and significantly increased its estimates for the costs of administering these programs. In order to mitigate the impact of the fee increases, which will be required to achieve full cost recovery, it is proposed that the fee increases be phased in over several years. Therefore, in 2008-2009, the above mentioned permit fees are proposed to increase by only 10%, even though this will leave the fees well below cost-recovery levels.

For consistency, the fee for Duplicating Public Records has been standardized across the City to match the department with the lowest cost recovery fee for this service. The Emergency Communication System Support (ECSS) fee recovers approximately 89.7% of the total costs of the City's emergency dispatch services. This reflects the annual recalculation of costs and revenues associated with this fee, and City Council direction to exempt certain groups such as Lifeline Service customers, pay phones, and certain educational and governmental entities from this fee. No increase to the base ECSS fees are proposed for 2008-2009; however, the trunk line cap of \$20,000 per account is proposed to increase to \$22,131 to reflect CPI adjustments from the inception of this fee in 2004-2005 in accordance with the Municipal Code. The Adopted 2007-2008 Fees and Charges Report erroneously listed the base trunk line cap at \$35,000; the error has been corrected in this document.

The proposed Police fee program for 2008-2009 includes a number of revisions which reflect a thorough review of time and resources used in the permit process in 2007-2008 and implementation of City Council direction to bring all possible fee programs to the 100% cost recovery level.

DEPARTMENTAL FEES AND CHARGES

POLICE

Service	2007-2008 Adopted Fee	2007-2008 % Cost Recovery	2008-2009 Proposed Fee	2008-2009 Estimated Cost	2008-2009 Estimated Revenue		2008-2009 % Cost Recovery	
					Current Fee	Proposed Fee	Current Fee	Proposed Fee
EMERGENCY COMMUNICATION SYSTEM SUPPORT FEE (FUND 154) - CATEGORY II								
1. Emergency Communication System Support Fee								
1 Access Line Fee	\$1.75 per month per access line		No Change					
2 Trunk Line Fee	\$13.13 per month per trunk line with a cap of \$35,000 per account per service location (CPI adjusted annually)		\$13.13 per month per trunk line with a cap of \$22,131 per account per service location (CPI adjusted annually)					
Sub-total Emergency Communication System Support Fee		82.9%		26,757,028	24,000,000	24,000,000	89.7%	89.7%
SUB-TOTAL EMERGENCY COMMUNICATION SYSTEM SUPPORT FEE (FUND 154) - CATEGORY II								
		82.9%		26,757,028	24,000,000	24,000,000	89.7%	89.7%
PUBLIC SAFETY FEES - CATEGORY I								
1. Fingerprinting								
1 General (Non-Criminal)	\$10 per card		No Change					
2 State Department of Justice (Reciprocal Services)	Current State fee (in addition to general fingerprinting fee above)		No Change					
Sub-total Fingerprinting								
2. Photographs								
1 Black & White - 3 1/2" x 5"	\$5.00 each		No Change					
2 Black & White - 5" x 7"	\$5.00 each		No Change					
3 Black & White - 8" x 10"	\$5.00 each		No Change					
4 Color - 3 1/2" x 5"	\$4.00 each		No Change					
5 Color - 4" x 6"	\$4.00 each		No Change					
6 Color - 5" x 7"	\$4.00 each		No Change					